

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells 1 **
- ☐ Gas Lease: No. of Gas Wells _____ **
- ☐ Gas Gathering System: _____
- ☐ Saltwater Disposal Well - Permit No.: _____
- Spot Location: _____ feet from ☐ N / ☐ S Line
_____ feet from ☐ E / ☐ W Line
- ☐ Enhanced Recovery Project Permit No.: _____
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: June 1st, 2012

KS Dept of Revenue Lease No.: 123415

Lease Name: Light B-1

_____ C _____ SW Sec. 11 Twp. 35S R. 32 ☐ E ☒ W

Legal Description of Lease: SW/4 11-35S-32W

County: Seward

Production Zone(s): Upper Morrow

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Signature: See Attached Lease

New Operator's License No. 31345 ✓

Contact Person: Norman Brungardt, Jr.

New Operator's Name & Address: Three-D Resources, Inc.

Phone: 620-624-5775

P O Box 856, Liberal, Kansas 67905-0856

Oil / Gas Purchaser: _____

Date: May 22nd, 2012

Title: President

Signature: Norm Brungardt Jr

RECEIVED

JUN 08 2012

KCC WICHITA

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ . Recommended action: _____
Date: _____
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____
Date: _____
Authorized Signature

DISTRICT _____ EPR 7/3/2012 PRODUCTION 7.6.12 UIC 7-6-12
Mail to: Past Operator _____ New Operator _____ District _____

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

060112_Light_B1.pdf

* Lease Name: Light B-1

* Location: C SW 11-T35S-R32W Seward

RECEIVED
JUN 08 2012
KCC WICHITA

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2010

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 31345
Name: Three-D Resources, Inc.
Address 1: P O Box 856
Address 2: _____
City: Liberal State: KS Zip: 67905- + 0856
Contact Person: Norman Brungardt, Jr.
Phone: (620) 624-5775 Fax: (620) 624-5778
Email Address: jr@three-dresources.com

Well Location:
_____C_____SW Sec. 11 Twp. 35S S. R. 32 ☐ East ☒ West
County: Seward
Lease Name: Light Well #: B-1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

RECEIVED

JUN 08 2012

KCC WICHITA

Surface Owner Information:

Name: Phillip C. Light, Manager Light Investments LLC
Address 1: P O Box 2797
Address 2: _____
City: Liberal State: KS Zip: 67905 + 2797

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- ☒ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- ☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 5/22/2012 Signature of Operator or Agent: [Signature] Title: President

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

This instrument was filed for record

May 23 20 12

at 11:20 o'clock A M. and recorded

in Vol. 647 at page 879

OIL AND GAS LEASE
PAID UP

THIS AGREEMENT, Made and entered into the 10th day of May, 2012, by and between

Light Investments, LLC
P. O. Box 2797
Liberal, KS 67905-2797

hereinafter called "Lessor" (whether one or more),

and

Three-D Resources, Inc.
P. O. Box 856
Liberal, KS 67905-0856

hereinafter called "Lessee", does witness:

RECEIVED

JUN 08 2012

KCC WICHITA



1. That Lessor, for and in consideration of the sum of Ten Dollars and (\$10.00), in hand paid, and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted and leased and hereby grants, leases and lets unto the Lessee for the purpose of mining, operating and exploring for and producing oil and gas, casinghead gas and casinghead gasoline, laying pipelines, building tanks, storing oil, building power stations, telephone lines and other structures thereon to produce, save, take care of and manufacture all of such substances, and for housing and boarding employees, the following described tract of land in Seward County, Kansas, to-wit:

Southwest Quarter (SW/4) of Section Eleven (11), Township Thirty-five (35) South, Range Thirty-two (32) West of the 6th P.M., Seward County, Kansas, and containing 160 acres, more or less, (herein "Leased Premises").

2. This Lease shall remain in force for a term ending May 10, 2015 and as long thereafter as oil, gas, casinghead gas, casinghead gasoline, or any of them is produced.

3. The Lessee shall deliver to the credit of the Lessor as royalty, free of cost into the pipe line to which Lessee may connect its wells the equal three-sixteenths (3/16) part of all oil produced and saved from the Leased Premises, or at the Lessee's option, may pay to the Lessor for such three-sixteenths (3/16) royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.

4. The Lessee shall monthly pay Lessor as royalty on gas marketed from each well where gas only is found, three-sixteenths (3/16) of the proceeds if sold at the well, or if marketed by Lessee off the Leased Premises, then three-sixteenths (3/16) of its market value at the well. The Lessee shall pay the Lessor; (a) three-sixteenths (3/16) of the proceeds received by the Lessee from the sale of casinghead gas, produced from any oil well; (b) three-sixteenths (3/16) of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas, produced from any oil well and used by Lessee off the Leased Premises for any purpose or used on the Leased Premises by the Lessee for purposes other than the development and operation thereof. Lessor shall have the privilege at Lessor's own risk and expense of using gas from any gas well on said land or on land it may be unitized with, for the principal dwelling and associated buildings located on the Leased Premises and livestock water heating (non-feedlot); PROVIDED FURTHER, any connections which are required shall be made by Lessor and at the sole expenses of Lessor.

5. In case said Lessor owns a less interest in the Leased Premises than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said Lessor only in the proportion which his interest bears to the whole and undivided fee.

6. The Lessee shall have the right to use free of cost, gas, oil and water found on the Leased Premises for its operations thereon, except water from the wells of the Lessor. When required by Lessor, the Lessee shall bury pipe lines to a depth of at least 48 inches below the surface and shall pay for damage caused by its operations to land and to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on the Leased Premises without written consent of the Lessor. Lessee shall have the right at any time during or after the expiration of this Lease to remove all machinery, fixtures, houses, buildings and other structures placed on the Leased Premises, including the right to draw and remove all casing.

7. As to the gas leasehold estate hereby granted (excluding casinghead gas produced from oil wells), Lessee is expressly granted the right and privilege to consolidate said gas leasehold with any other adjacent or contiguous gas leasehold estates to form a consolidated gas leasehold estate which shall not exceed a total area of 640 acres; and in the event Lessee exercises the right and privilege of consolidation, as herein granted, the consolidated gas leasehold estate shall be deemed, treated and operated in the same manner as though the entire consolidated leasehold estate were originally covered by and included in this Lease, and all royalties which shall accrue on gas (excluding casinghead gas produced from oil wells), produced and marketed from the consolidated estate, including all royalties payable hereunder, shall be prorated and paid to the Lessors of the various tracts included in the consolidated estate in the same proportion that the acreage of each said Lessor bears to the total acreage of the consolidated estate, and a producing gas well on any portion of the consolidated estate shall operate to continue the oil and gas leasehold estate hereby granted so long as gas is produced therefrom.

In the event of an oil well, Lessee is expressly granted the right and privilege to consolidate a portion of the Leased Premises with any other adjacent or contiguous leasehold estates to form a consolidated oil leasehold estate, not to exceed the total area of 40 acres. In the event Lessee exercises the right and privilege of consolidation for oil as granted in this paragraph, the consolidated oil estate shall be deemed, treated and operated in the same manner as though the entire consolidated oil leasehold estate were originally covered by and included in this lease and all royalties which shall accrue on oil produced and marketed from the consolidated oil estate shall be prorated and paid to the Lessors of the various tracts included in the consolidated oil estate in the same proportion that the acreage of each such Lessor bears to the total acreage of the consolidated oil estate and a producing oil well on any portion of the Leased Premises shall operate to continue this lease as to that portion of the Leased Premises located in the consolidated oil estate, so long as oil is produced from said consolidated oil estate.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the royalties shall be binding on the Lessee until after notice to the Lessee and it has been furnished with the written transfer or assignment or a certified copy thereof.

9. If the Leased Premises shall hereafter be owned in severalty or in separate tracts, the Leased Premises, nevertheless, shall be developed and operated as one Lease and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this Lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks. It is hereby agreed that, in the event this Lease shall be assigned as to a part or as to parts of the Leased Premises, and the holder or owner of any such part or parts shall fail or make default in the payment due from him or them, such default shall not operate to defeat or affect this Lease in so far as it covers a part or parts of said land upon which the said Lessee or any Assignee hereof shall make due payment.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the Leased Premises and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

11. Notwithstanding anything in this Lease contained to the contrary, it is expressly agreed that if Lessee shall commence drilling operations at any time while this Lease is in force, this Lease shall remain in force and its term shall continue so long as such operations are prosecuted and, if production results therefrom then as long as production continues.

12. If, within the primary term of this Lease, the well or wells on the Leased Premises, or on the consolidated gas leasehold estate, shall cease to be productive, this Lease shall not terminate, provided operations for the drilling of a well on the Leased Premises, or on the consolidated gas leasehold estate, shall be commenced before ninety (90) days. It is agreed, however, that the completion of a well producing or capable of producing gas, upon the property hereinabove described, or the inclusion of such property in a consolidation unit producing or capable of producing gas as provided by paragraph number 9 hereof, shall constitute full and complete development with a respect to the gas leasehold estate hereby granted. If, upon, or after the expiration of the primary term of this Lease, the well or wells on the Leased Premises or on the consolidated gas leasehold estate, shall be

Jr. Brungardt
will pick up
6/12

incapable of producing, this Lease shall not terminate provided Lessee resumes operations for drilling a well on the Leased Premises or on the consolidated gas leasehold estate within ninety (90) days from such cessation, and this Lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long a production continues.

13. It is contemplated and agreed by both Lessor and Lessee that this Lease shall at all times and in all respects be subject to valid orders, rules and regulations of any duly constituted authority having jurisdiction of the subject matter hereof.

14. This Lease and all its terms, conditions, and stipulations shall extend to and be binding on all the heirs, grantees, administrators or assigns of said Lessor or Lessee.

See "Addendum A" attached hereto and made a part hereof.

IN WITNESS WHEREOF, I sign the day and year first above written.

LIGHT INVESTMENTS, LLC

BY: Phillip C. Light, mgr.
Philip C. Light, Manager

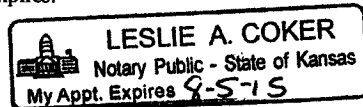
STATE OF KANSAS, COUNTY OF SEWARD, SS:

The foregoing instrument was acknowledged before me this 10th day of May, 2012, by Phillip C. Light, Manager of Light Investments, LLC, a Kansas limited liability company, on behalf of the company.

Leslie A. Coker
Notary Public

My Commission Expires:

SEAL



RRY/bjb

RECEIVED
JUN 08 2012
KCC WICHITA

ADDENDUM TO OIL AND GAS LEASE

DATED: May 10, 2012

BETWEEN

**Light Investments, LLC
P. O. Box 2797
Liberal, KS 67905-2797**

hereinafter referred to as "LESSOR",

AND

**Three-D Resources, Inc.
P. O. Box 856
Liberal, KS 67905-0856**

hereinafter referred to as "LESSEE".

This Addendum is a part of that certain Oil and Gas Lease identified above by date and parties covering the following:

Southwest Quarter (SW/4) of Section Eleven (11), Township Thirty-five (35)
South, Range Thirty-two (32) West of the 6th P.M., Seward County, Kansas
(herein "Leased Premises"),

to the same extent as if the provisions hereof had originally been written in said Lease. In the event of conflict between the Lease provisions and this Addendum, the provisions of this Addendum shall be binding.

15. Notwithstanding anything to the contrary, the royalty paid for gas, oil, condensate and hydrocarbons and other gas and substances under the terms of this Lease shall not have been charged with or had deducted costs associated with creating a marketable product, including but not limited to transportation, compression, dehydration, treating, processing or blending, whether such costs are incurred on or off the Leased Premises.

Lessor's royalty shall be paid based on the same price received by Lessee from the purchaser (s) of oil and/or gas sold under the terms of this Lease, without deduction of any charge made directly by Lessee, or any of its affiliates, for the production, separation, gathering, dehydration, compression, transportation, trucking, processing, treatment, storage or marketing of the oil or gas produced.

16. No right is granted to the Lessee to erect on any part of the Leased Premises any plant or facility for gasoline extraction or for the processing of gas or petroliferous substances, except the normal and necessary production equipment such as heater treaters and separators customarily used. Lessee agrees to install necessary production and/or metering equipment along the access road to any well and where the well or wells can be satisfactorily and safely produced, meter houses and other production equipment shall be located adjacent to any county or state road or highway adjoining the Leased Premises. It is understood, however, that the sale of gas at a meter installed along the Lease or property line shall, for the purpose of this Lease, be considered to be a wellhead sale.

17. Lessor reserves all rights to grant, lease, mine and/or produce any minerals from Leased Premises except interests in gas and oil and their constituent products herein leased to Lessee.

18. Lessee agrees, as a part of the consideration of this Lease, that there shall be no monthly minimum charge by the Lessee to Lessor for use of irrigation gas as provided for in Paragraph 18 of this Addendum.

19. Lessor, at Lessor's sole risk, shall have ingress and access to all gas meters and gauges owned or controlled by the Lessee at all times for the sole purpose of checking proper and accurate operations.

20. Lessee hereby agrees to pay for any and all damages caused by or resulting from, directly or indirectly, its operations hereunder, including crop damage caused by pipelines installed on or removed from the Leased Premises. Lessee shall pay Lessor a reasonable amount but not less than \$10,000.00 for each drill site location on the Leased Premises plus additional damages as agreed upon by the parties for the placement of tank batteries.

Lessee understands that the crop loss could exceed the minimum if a well is drilled in an irrigated circle during pre-watering or the growing season. Upon completion of Lessee's operations on each well, Lessee agrees to promptly restore the Leased Premises to as nearly as practical the same condition they were in prior to the commencement of operations hereunder. All trash and debris shall be removed before the surface of the Leased Premises is restored. In addition to damages paid by Lessee, the drill site, together with any roads no longer necessary for Lessee's operations on the Leased Premises, shall, at the request of Lessor or Lessor's tenant, be ripped, manured and reseeded. All deadmen, other anchors and unnecessary equipment shall be removed from the Leased Premises after drilling whether completed as a producing well or dry hole.

- (a) As part of the consideration hereunder, in addition to the foregoing, Lessee, at Lessee's sole cost and expense, agrees to remove from the surface of the Leased Premises and properly dispose of all equipment and scrap metal and debris prior to the earlier of (i) expiration of the primary term hereof; or (ii) within six (6) months after completion of the drilling of a well on the Leased Premises, regardless of whether such well is a dry hole or capable of producing oil or gas.

21. All pipelines and power lines which shall be constructed under this Lease shall be located in such manner that they will be laid and placed parallel with the flow of irrigation water as it is released onto the field except that such lines may be constructed at right angles to the flow of the water at the very boundary line or edge of the field; all power lines and pipelines shall be buried at least 48 inches below the surface. All damages shall be due and payable on or before three (3) months after the same occur. In addition to payment of damages, Lessee shall, at the request of Lessor, rip to a depth of at least 12 inches any compacted areas and manure and reseed any excavation areas and any roads no longer necessary for Lessee's operations on the Leased Premises.

- (a) Lessee shall pay to Lessor a minimum of \$60.00 per rod, plus crop damages, for any pipeline installed or constructed on the Leased Premises, whether or not connecting to the well on the Leased Premises.
- (b) In the event of a producing well, Lessee shall pay to Lessor a minimum of \$60.00 per rod for any lease road remaining on the Leased Premises.

22. It is the intention of the parties hereto to cause as little interference as possible with farming operations now or hereafter conducted on the Leased Premises as possible, including but not specifically limited to the operation of pivotal irrigation sprinkler systems, or any other irrigation method.

- (a) Tanks and other storage structures shall be placed at the corner of the Leased Premises, at a location mutually agreed upon by the parties.
- (b) Lessor further reserves the right to designate all route of ingress and egress to and from the drill site, tank batteries or other equipment. Prior to the construction of any roads, pipelines, tank battery installations or installation of other equipment on the Leased Premises, Lessee shall consult and agree with surface owner and tenant as to the location and direction of the same.
- (c) Upon completion of all drilling and exploration activities and in the event of a producing well, in addition to all other damages to be paid hereunder, Lessee shall, at the request of Lessor, rip to a depth of at least 12 inches any compacted areas and manure and reseed any excavation areas and any roads no longer necessary for Lessee's operations on the Leased Premises.
- (d) Lessee shall not place nor allow Lessee's contractors, subcontractors or licensees to place, caliche on any portion of the Leased Premises. There shall not be oil road surfaces or hard surfacing of any access roads without the prior written consent of Lessor. Lessee shall not construct any ditches along any access road placed on the Leased Premises not take nor permit any action which will permanently alter the natural water drainage of the Leased Premises.
- (e) Lessee shall not allow any noxious or unsightly weeds or grasses to grow or accumulate on or along the well location, tank batteries, access road or any other portion of the Leased Premises used in Lessee's operation.

23. Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to livestock of Lessor and/or Lessor's surface tenant.

24. In the event Lessee shall undertake seismic testing operations, such operations shall be conducted in such a manner as to least interfere with the farming operations. In no event shall seismic or other testing of similar nature occur: 1) when the ground is wet; 2) within 1,000 feet of any water well (domestic or irrigation), whether such well be located on the Leased Premises or not; 3) within 500 feet of any dwelling; 4) over or within 50 feet of any underground irrigation water pipe. Damages for seismic work shall include not only crop damage but also damage to the surface of the ground and any wells, structures or improvements. The area compacted shall be ripped to a depth of at least 12" at the cost of Lessee upon request by the owner of the surface or tenant of the surface owner. In addition to the foregoing, Lessee shall:

- (a) Pay to Lessor a minimum amount of \$15.00 per leased acre for pasture land and \$20.00 per leased acre for crop land for any and all seismic-related activities used to determine the likelihood of the presence of any minerals, including, but not limited to, oil and gas on the Leased Premises. Said payment shall be made prior to the commencement of the seismic activity on the Leased Premises.

25. The Lessee agrees with the Lessor that in connection with the operation and development of the Leased Premises, it will use its best effort and follow the general practices customary within the industry to protect all fresh water strata and the surface from pollution by salt water and other refuse.

26. Lessee shall not be entitled to use any water from the Leased Premises in its drilling operations without the written consent of Lessor and upon payment of compensation to Lessor for the use of said water.

27. In the event there is no production in paying quantities found by any operations undertaken by Lessee and there is an abandonment of said Lease, the Lessee shall fill all pits and ponds and remove all structures, equipment and concrete and reasonably restore the Leased Premises to the condition existing at the time the Lease is executed. Upon expiration or termination of the Lease, and in any event not later than six (6) months thereafter, Lessee shall restore the Leased Premises as nearly as practicable as possible, wear and tear and damages by the elements excepted.

28. The Lessee acknowledges that all or part of the Leased Premises may be enrolled in the Conservation Reserve Program (CRP) of the Commodity Credit Corporation (CCC), United States Department of Agriculture. In such event, the Lessee shall be responsible for obtaining prior written approval, if necessary, from the local FSA Office before entering the Leased Premises for the purpose of drilling a well. As long as any portion of the Leased Premises is enrolled in the CRP, the Lessee shall be obligated, at Lessee's sole expense, to reseed and establish native grass cover on the well site and to take such other action with regard to the Leased Premises as may be required by under applicable governmental laws and regulations pertaining to property enrolled in the CRP. Such work shall be performed in a good and workmanlike manner and in such manner as may be required by the FSA under the terms of the CRP Contract. If drilling a well causes Lessor to lose any benefits of the CRP Contract, including repayment of past CRP payments, or loss of future CRP payment, Lessee shall reimburse Lessor for such damages.

29. The installation of any salt water disposal equipment by Lessee in the operation of the Lease shall be subject to the written approval of Lessor. Lessee shall not be permitted to use any well drilled on the Leased Premises as a salt water disposal well without the written consent of Lessor and without compensating Lessor for the use thereof.

30. Lessee shall have one (1) year, hereinafter called "Initial Shut-in Period", from the date of completion of a well capable of producing gas in which to make pipeline connections for production or marketing of gas. The Initial Shut-in Period may be extended for a period not to exceed two (2) additional years at the option of Lessee. During the Initial Shut-in Period, Lessee shall pay to Lessor shut-in royalty at the rate of \$8.00 per acre per year, which royalty shall be due and payable on the anniversary date of this Lease next following the shutting in of the well. After a well has been connected and marketing of gas (other than for well test purposes) commenced, Lessee may, at any time and from time to time, shut in any well capable of producing gas in paying quantities when there is no market for gas or when, in the reasonable opinion of Lessee exercised in good faith, there is an unacceptable market for gas ("Extended Shut-in Period"); PROVIDED HOWEVER, Lessee shall pay to Lessor when any well is shut in for a period of 120 consecutive days or longer a shut-in royalty at the rate of \$8.00 per acre per year, which shut-in royalty shall be due and payable on the anniversary date of the Lease next following 120 days after shutting in of the well. During the Shut-in Period, as applicable, it shall be considered that gas is being produced from the Leased Premises in paying quantities. Failure to make the shut-in royalty payment due hereunder shall not result in termination of the Lease unless Lessor shall have first notified Lessee of its failure to make such payment and Lessee shall have failed to make such payment within thirty (30) days after receipt of such notice from Lessor.

31. Lessee agrees that no time during the life of this Lease shall the royalty paid to Lessor for a yearly period commencing with first production from the well be less than \$8.00 per acre. Such deficiency, if any, shall be paid to Lessor by Lessee within thirty (30) days after notice and written demand thereof is delivered to Lessee.

32. It is expressly agreed, notwithstanding anything to the contrary herein, that if the Lease be in force and effect for two (2) years after the expiration of the primary term, the Lease shall thereupon terminate as to the oil and gas rights in all zones and formations of the Leased Premises from which Lessee is not then producing oil or gas in paying quantities. Lessee shall be obligated to file of record in the county courthouse in which the Leased Premises are located a release of the Lease covering such non-producing zones or formations within sixty (60) days following written demand thereof, with said demand being made after the two (2) year period herein referred to above. If such release is not filed within sixty (60) days following written demand, Lessee shall be liable for damages and attorney's fees, if any, incurred by Lessor in obtaining such release.

(a) It is further agreed that if this Lease be in force and effect after the expiration of the primary term, this Lease shall thereupon terminate as to all formations not penetrated by the drilling of a test well or wells on the Leased Premises or land pooled or consolidated therewith, except if drilling is in progress at the end of the extended primary term.

33. Any portion of the Leased Premises not included within a producing unit by the end of the primary term shall be deemed and declared to be a distinct and separate Lease from the portion or parcel that is included within the producing unit prior to the end of the primary term.

34. By acceptance of this Lease, Lessee covenants and agrees that it will fully comply with all statutes, laws, rules and regulations of all governmental agencies having jurisdiction over Lessee's operations or Lessee's compliance with all environmental legislation. Lessee further agrees to indemnify, hold harmless, save and protect Lessor from any damages, environmental, contamination, liabilities, claims, judgments, causes of action, fines, penalties, costs and expenses (including reasonable attorney fees) caused or resulting from, either directly or indirectly, or permitted to occur by Lessee, Lessee's employees, agents, representatives, contractors, subcontractors, licensees and invitees, successors and assigns. This covenant and indemnity agreement shall survive the termination, expiration, or release of this Lease.

35. Any abstracting charges on the Leased Premises for drilling operations by Lessee under the terms of this Lease shall be paid by the Lessee.

36. This Lease and Addendum and all its terms, conditions and stipulations shall extend to and be binding on all the heirs, grantees, administrators, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, I have hereunto signed my name the day and year first above written.

LIGHT INVESTMENTS, LLC

BY: Phillip C. Light, Manager
Phillip C. Light, Manager

RRY/bjb

STATE OF KANSAS } FEE \$6.00/2.00
SEWARD COUNTY

AFFIDAVIT OF NON-PRODUCTION

This instrument was filed for record
May 23 20 12
at 11:20 o'clock A M. and recorded
in Vol. 647 at page 885
KAREN J. WARDEN, Register of Deeds
Karen J. Warden

STATE OF Kansas)
COUNTY OF Seward) ss



Phillip C. Light, Manager of Light Investments, LLC, of lawful age, being first duly sworn on his oath, states that he is familiar with the following described property, to-wit;

The Southwest Quarter (SW/4) of Section Eleven (11), Township Thirty-
Five (35) South, Range Thirty-Two (32) West, Seward County, Kansas

which property is owned by Light Investments, LLC

Affiant knows of his own knowledge that there is no production of oil or gas on said land and that there has been no production of oil or gas on said land, over the last three (3) years.

Affiant further saith not.

Phillip C. Light
Light Investments, LLC
By: Phillip C. Light, Manager

ACKNOWLEDGEMENT FOR CORPORATION

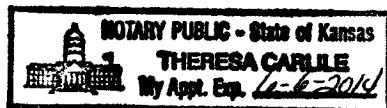
State of Kansas)
County of Seward) ss

The foregoing instrument was acknowledged before me this 23 day of May, 2012, by Phillip C. Light, Manager of Light Investments, LLC, a Kansas limited liability company, on behalf of the company.

My Commission expires June 10, 2014

Theresa Carile CSR
Notary Public

SEAL



BOOK 647 PAGE 885

1029

Jr. Brungardt
will pick up
11:20
62

Microsoft Access

HomeCreateExternal DataDatabase ToolsAcrobat

Queries

DIST4SPILLS

DISTRICT SPILL SORT

distspillsort

DWR COUNT

DWR COUNT BY MONTH

EQQUS ACTIVE PERMITS

EQQUS BEDS OPERATORS

Find duplicates for SPILLS

Find duplicates for TOTALSGAC...

HAUL-OFF PIT COUNT

HAUL-OFF PIT COUNT by MONTH

Haul-Off Pit Numbers by County

JOHNSON POND SORT

khpond

lease

MATSORT

OPER FORM LIST

OPERATOR SPILL SORT

PIT TRACKING SORT

POND LEASE NAME SORT

POND STR

POND2

PONDS Count

PONDS OPER SORT

PONDTESTSORT

pnByLicenseNumber

POND STR

DOCKE

OPERATOR

LNAM

FRAC

FETS

FET

SE

TV

R

D

A

P02431

LOWRY EXPLORATION INC

LIGHT #1-11

CS2SW

0660

3960

11

35

32 W

ACTIVE

Record: 11

1 of 1

No Filter

Search

Docket Number Assigned to Pit

Num Lock